

Isle of Man Customs and Excise

What Does My Business Have to Do with UN/EU Sanctions, and Export and Trade Controls?

You must read this if you buy and/or sell goods and services overseas.

All businesses in the Island need to be aware of the requirements, prohibitions and restrictions imposed by UN and EU sanctions, as well as the requirements for the licensing of exports from the customs area of the Isle of Man and UK, and the requirement for a licence when a business is involved in the trade of certain goods between two other countries.

This Factsheet has been given to you by the Customs and Excise Division in order to raise your awareness of the various requirements, prohibitions and restrictions; and to provide you with information on how to find further assistance and guidance, and how to report any concerns you might have concerning UN/EU sanctions, and Export and Trade Controls.

UN and EU sanctions

UN and EU sanctions impose a wide range of requirements, prohibitions and restrictions which can be economic or financial (such as freezing the assets of named individuals and entities), designed to prevent the supply of funds or technical and financial assistance, or imposing an embargo on the supply of military or other goods (including dual-use goods that may have a legitimate civilian use).

The Customs and Excise Division provides a considerable amount of detailed information on its website at - <https://www.gov.im/categories/tax-vat-and-your-money/customs-and-excise/sanctions-and-export-control/> (general information on sanctions procedures, record keeping etc can be found in Sanctions Notice 26 - General Information about Financial Sanctions including Terrorist Financing and Proliferation, also available at the above link).

For more information about sanctions controls in the Island contact Customs and Excise.

If you suspect that a person, business or transaction you have involvement with may be affected by sanctions you should report this to your MLRO or compliance officer. Reports should also be made to the FIU.

Export controls

You may need a licence for the export of goods from the Isle of Man and UK. The licence may be specific to a particular transaction or customer (where you would be required to make an application), or may be in the form of an open general licence (where you have to register the use of the licence).

Export controls also apply to certain "intangible" exports, such as the sending or making available of high-level cryptographic software.

There are also export controls on cultural goods, works of art, archaeological material etc.

The Customs and Excise Division provides information on export controls and export licencing in [Notice 279 MAN](#) and [Notice 279C MAN](#) on its website.

If you suspect that a person, business or transaction may have involvement in a breach of export licencing controls you should report this to your MLRO or compliance officer. Reports should also be made to the FIU and Customs and Excise.

Trade controls

If you send certain goods between two other countries (i.e. you are not exporting them from, or into, the Isle of Man and UK), and anything to do with the transaction takes place in the Island or UK (or if you are a British person who is normally resident in the Island or the UK),

More help

If you prefer to speak to us, or to arrange for a printed copy of any IOM Customs & Excise Notice guidance please use the contact details provided.

These notes are for guidance only and reflect the position at the time of writing.

you may require a trade control licence.

As with export licences, a trade control licence can be an open general licence requiring that you register use of it.

The Customs and Excise Division provides information on trade control licensing in [Notice 279T MAN](#) on its website.

Note that the trade in certain goods, such as landmines, is totally prohibited and may not be licensed.

If you suspect that a person, business or transaction you have involvement in a breach of trade control licensing requirements you should report this to your MLRO or compliance officer. Reports should also be made to the FIU and Customs and Excise.

There are severe penalties for breaches of sanctions legislation, or export and trade control licensing legislation.

What do I need to do?

You need to ensure that you are aware of the possibility that sanctions, export or trade controls may affect your business.

You should include consideration of sanctions, export and trade control risks as part of your normal due diligence procedures.

You need to include the reporting and recording of actual or suspected breaches of sanctions, export or trade control law in your existing AML/CFT procedures; including the reporting of any assets frozen or blocked under UN or EU sanctions.

Note that guidance relating to UN and EU sanctions requires you to keep records of all actual or attempted transactions with those on sanctions lists, and deals with how to handle “false positives” (i.e. where you have a “hit” that turns out not to be the target of a sanctions measure). (See Sanctions Notice 26 – General Information about Financial Sanctions including Terrorist Financing and Proliferation on the website).

Sign up to the RSS feed which will automatically supply details of all Customs and Excise news releases, including those concerned with sanctions, export and trade licensing controls – <https://www.gov.im/categories/tax-vat-and-your-money/customs-and-excise/news/RssCategorisedNews>

Sign up to email alerts provided by –

The Office of Financial Sanctions Implementation at HM Treasury
https://www.gov.uk/government/email-signup/new?email_signup%5feed%5D=https%3A%2F%2Fwww.gov.uk%2Fgovernment%2Forganisations%2Foffice-of-financial-sanctions-implementation.atom

The Export Control Organisation at the Department of International Trade
<https://www.gov.uk/government/policies/export-controls>

Contact details

FIU

Telephone: 01624 686000

Email: fiu@gov.im

Customs and Excise

Telephone: 01624 648138

Email: customs@gov.im

Website for Information:

<https://www.gov.im/categories/tax-vat-and-your-money/customs-and-excise/sanctions-and-export-control/>